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United States Senate

WASHINGTON, DC 20510-3403 July 20, 2005

The Honorable Michael Johanns Secretary of Agriculture United States Department of Agriculture 14th Street and Independence Avenue, SW Washington, DC 20250

Dear Secretary Johanns:

U.S. livestock producers that suffered eligible grazing losses during the 2003 or 2004 crop years have yet to receive payments under the Livestock Assistance Program (LAP) and the American Indian Livestock Feed Program (AILFP) provisions of the 2003-2004 crop year disaster program.

It is our understanding that the county offices of the Farm Service Agency (FSA) do not have access to the software necessary to calculate and distribute payments to eligible producers even though program sign up began in early April. We have been informed that payments are not expected to be distributed until August 22, over 10 months after the disaster program was signed into law.

As you know, the LAP and AILFP intended to provide assistance to eligible livestock producers for grazing losses suffered in either the 2003 or 2004 production years as a result of weather related disasters. Many of these producers are relying on disaster assistance payments to help them make ends meet. When these payments are unnecessarily delayed – in this case because of an apparent administrative decision to use this program in the development a new computer software system – it makes it very difficult for producers to pay their outstanding financial obligations.

Mr. Secretary, this delay in payments is not acceptable to livestock producers or their creditors who are relying on this assistance to maintain the viability of their ranch and business operations. We urge you to take immediate action to alleviate this problem by expediting payments as soon as possible. Furthermore, we request that you compensate producers at a six percent interest rate from June 1 until payments are made in order to offset the delay in payment.

Sincerely,

KENT CONRAD

United States Senate

MICHAEL ENZI
United States Senate

BYRON DORGAN United States Senate

CRAIG THOMAS United States Senate

TIM JOHNSON United States Senate